

MACKAY & Co.

BANKERS

Members of
New York Stock Exchange

High Grade Conservative Investments

14 WALL STREET
NEW YORK

TELEPHONE RECTOR 9730

Monthly Dividends and Monthly Earning Statements

The monthly dividends paid to Preferred Stockholders of Cities Service Company provide a convenient and regular income safeguarded by earnings.

Five Times Over Preferred Stock Dividend Requirements

The statements of earnings mailed to stockholders monthly enable investors to keep in constant touch with the financial progress of the Company.

Send for
Preferred Stock Circular TE-3

Henry L. Doherty & Company Bond Department

60 Wall Street, New York

New York Stock Exchange Stocks

Careful analysis of conditions of the moment will assist materially in making your stock market undertakings effective.

Hartshorne, Fales & Co.

Members N. Y. Stock Exchange
71 Broadway New York
Tel. 7610 Bowling Green

MILLER & CO.

Members
New York Stock Exchange

Securities Bought for Investment or Carried on Conservative Margin

120 BROADWAY

Branch Offices
212 FIFTH AVENUE
NEW YORK

LONGACRE BUILDING
N. E. COR. 42ND ST. & BROADWAY
NEW YORK

J. K. Rice, Jr. & Co. Buy & Sell

Air Reduction
American Hawaiian Steamship
American Plans, Com. & Pfd.
American Vantage
Chase National Bank Sbk.
General Chemical, Com.
Great Southern Lumber
Lehigh Valley Coal Sales
Penn. Coal & Coke
Port Lumber Petroleum, Com. & Pfd.
Pyrene Manufacturing
Stern Bros., Pfd.
Texas Pacific Coal & Oil
Victor Talking Machine, Com.
Wright-Martin, Pfd.

J. K. Rice, Jr. & Co.

Phone 4000 to 4010 John 36 Wall St., N. Y.

CHATHAM & PHENIX NATIONAL BANK

Capital & Surplus \$12,000,000
Reserves \$3,000,000
119 Broadway, Singer Bldg.
And 12 Branches

NOBLE & CORWIN

25 Broad St. New York
Chatham & Phenix Otis Elevator
Chase National Phelps Dodge
Telephone 1111 Broad

Mark A. Noble Theodore C. Corwin

Frederick Wirth, Jr. formerly attaché of the embassy of the United States at Vienna and Constantinople and American Vice-Consul in Switzerland, has resigned from the service of the Department of State and will act as correspondent of *Zeitung*, *Vögel*, *Gleason* & *Proskauer*.

Finance and Trade

Financial Bureau.
Telephone Beckman 3000.

Business News Bureau.
Telephone Beckman 8243.

One of the unfortunate results of labor's demand for the nationalization of industry, coupled with agitation against high prices, is that some much needed foreign financing is likely to be postponed. The course of the foreign exchanges is sufficient indication of Europe's dire need of credit. But since unrest has reached a stage that some of Wall Street's leaders consider alarming there is a decided disposition to defer new financing until the surcharged atmosphere clears a little. Therefore, there is not much immediate prospect that foreign credits will be doled out even in meagre amounts, such as have recently been arranged through private bankers. That the government heartily approves such loans, pending the working out of an adequate programme for meeting the emergency, is not sufficient. Even more important than the government's approval, which it is expected will be formally given next week, is confidence of investors in the stability of the investment markets. Widespread unrest tends to destroy that confidence.

Further Recovery

Yesterday's further recovery in stock prices came rather than expected in the afternoon. A short burst of large portions was built up on Monday's break. The buying late Tuesday and throughout the session yesterday represented to large extent the covering operations of traders who have sold out as the market progressed now closing the account and taking their profits. The test of whether the market is to swing upward again or farther decline will come in the short interest has been reduced. Professional traders in the Street look for still lower prices, for it is felt the liquidation is not yet over and that the public has for the time being lost confidence. Moreover, it is felt that it would be foolhardy to rush stock prices up again in the face of a labor crisis that suggests unpleasant possibilities.

No Pressure to Sell

Brokers said early in the day that there was apparently no pressure to sell stocks, that condition prevailed throughout the session. This scarcity of offerings made it more difficult for the traders who were short of stocks to cover their commitments, and as a result the market was more active. The purchases for the short account became more active until in the closing hour a real scramble developed. This buying sent steel common up 2½ points to 107½, while Bethlehem Steel common rose forward 3½ to 89½. Baldwin Locomotive rose from 102½ to 109½, and closed 6½ points up at 104½. The steel market was buoyant, which displayed pronounced weakness on the decline of Monday, jumped 14½ points to 131½, being at the close within half a dozen points of its recent high record. Railway issues displayed an improved tone, but failed to keep pace with the fast moving industrial.

A Surplus of Call Money

Call money rates got down to a really low level. The banks offered funds freely, but the demand was light. After opening at 6 and 6½ per cent rates dropped at 1 o'clock to 4½ and 5, and at 2 o'clock to 3½ and 4, closing at 4 per cent. It was the first time since May that there was more money offered than was needed.

Breadth of the Market

There were 284 different stocks traded in on the exchange. That was seven less than on Tuesday. Dealings in the aggregate were smaller, the turnover amounting to approximately 1,400,000 shares.

London Still Supreme

A. Barton Hepburn, chairman of the advisory board of the Chase National Bank, does not believe that New York will displace London as the world's financial centre. "New York, of course," says the banker in the monthly magazine of the Chase bank, "is the financial centre of this hemisphere and likely to continue so. New York will experience great difficulty, however, in displacing London as a world financial centre. London requires something more than financial strength, tangible and latent resources, to constitute a financial centre. All this power must be supplemented by an ability to do a world business, which implies the understanding of the world's business, its wants, its wishes, its idiosyncrasies, its way of doing business." Mr. Hepburn holds this opinion, that hereafter the business of the world instead of concentrating, as in the past, will find several financial centres. The effect of the war, he thinks, will be to decentralize financial power and distribute it in a greater degree throughout the leading commercial nations.

Moving the Tobaccos

It appears to be a comparatively easy matter to move the so-called Whelan tobacco shares. Here is one group in industrial in which the break in prices on Monday has not interfered with the manipulative operations of the insiders. Yesterday United Retail Stores and Tobacco Products were taken in hand and whirled upward, the gains in each were 4½ points. For some reason United Cigar Stores was neglected and closed with a net loss of 3 points.

Money and Credit

Wall Street enjoyed the easiest call money market yesterday since May. Call rates got down to 3½ per cent for mixed collateral loans and 4 per cent for all industrial loans and closed at 4 per cent. The opening and renewal rates were 6 and 6½ per cent. The low rates compared with recent high rates of 15 and 20 per cent. The pronounced ease in call money was attributed to the combination of a reduction in the stock market loan account and lighter demand for credit accommodation for stock market purposes caused by the drastic decline in stock prices early in the week. It is not believed, however, that rates will continue for long at the low levels touched yesterday. Bankers said the situation was only temporary.

The ruling rates for money yesterday, compared with a year ago, were as follows:

| | Yesterday. | Year ago. |
|--------------------------------|------------|-----------|
| Call money | Percent. | Percent. |
| On mixed collateral | 6 | 6 |
| On industrial collateral | 6½ | 6½ |
| Time money (mixed collateral): | | |
| Sixty days | 6 | 6 |
| Ninety days | 6 | 6 |
| Four months | 6 | 6 |
| Five to six months | 6 | 6 |

Bank Clearings.—Bank clearings yesterday were:

| | Exchanges. | Balances. |
|--------------|---------------|--------------|
| New York | \$831,491,533 | \$66,558,957 |
| Baltimore | 17,106,833 | 7,828,727 |
| Chicago | 100,884,713 | 9,672,779 |
| Philadelphia | 68,360,776 | 12,029,689 |

Sub-Treasury.—The Sub-Treasury lost \$178,000 to the banks on Tuesday.

London Money Market.—LONDON, Aug. 6.—Closing—Money, 2½ per cent. Discount rates—Short bills, 3½-16½.

3½: three months' bills, 3½-16½; 3½ per cent. Gold premiums at Lisbon, 110.00.

Silver.—London, 57½; New York, 110.95; Mexican dollars, 84½/88½.

Bank Acceptances.—Rates were unchanged, as follows:

| Spot delivery. | Thirty days. | Sixty days. | Ninety days. |
|---------------------------|--------------|-------------|--------------|
| Eligible member banks | 4½/4 | 4½/4 | 4½/4 |
| Eligible non-member banks | 4½/4 | 4½/4 | 4½/4 |
| Ineligible bank bills | 5/4 | 5/4 | 5/4 |

Eligible member banks, 4½/4; eligible non-member banks, 4½/4; ineligible bank bills, 5/4.

Per cent. delivery within thirty days:

| | Percent |
|---------------------------|---------|
| Eligible member banks | 4½ |
| Eligible non-member banks | 4½ |
| Ineligible bank bills | 6 |

The Dollar in Foreign Exchange

Continued marked weakness of rates on Paris, with francs falling to a new low level, was the outstanding feature in the foreign exchange market yesterday. Bankers said that, besides the fundamental international situation, which is unfavorable to rates on the European countries, francs were being depressed also by short selling. Rates on London were slightly weaker, also. (Quoted dollars to the pound.)

| | Yesterday. | Week ago. |
|-----------------------|------------|-----------|
| Sterling, demand | 4.31¼ | 4.35½ |
| Sterling, cables | 4.32 | 4.36¼ |
| Sterling, sixty days | 4.28¼ | 4.32½ |
| Sterling, ninety days | 4.27½ | 4.31¼ |

(Quoted units to the dollar.)

| | Yesterday. | Week ago. |
|-------------------------|------------|-----------|
| France, checks | 7.74 | 7.26 |
| France, cables | 7.72 | 7.24 |
| Belgium, francs, cables | 8.04 | 7.54 |
| Belgium, francs, cables | 8.02 | 7.52 |
| Italy, checks | 8.86 | 8.60 |
| Italy, cables | 8.84 | 8.58 |
| Swiss francs, checks | 5.62 | 5.54½ |
| Swiss francs, cables | 5.60 | 5.54½ |

(Quoted cents to the unit.)

| | Yesterday. | Week ago. |
|-------------------------|------------|-----------|
| Guillemers, checks | 37¼ | 37½ |
| Guillemers, cables | 37¾ | 37¾ |
| Marka, cables | 6¼ | 6¼ |
| Austria, crowns, cables | 2.45 | 2.49 |
| Sweden, checks | 24.80 | 24.65 |
| Sweden, cables | 25.00 | 24.85 |
| Denmark, checks | 21.75 | 22.05 |
| Denmark, cables | 21.95 | 22.25 |
| Norway, checks | 23.50 | 23.60 |
| Norway, cables | 23.70 | 23.80 |
| Norway, cables | 18.99 | 19.07 |
| Poznan, cables | 19.05 | 19.15 |
| Manila, checks | 49.75 | 49.75 |
| Manila, cables | 50.00 | 50.00 |
| India, rupees, checks | 40¼ | 40¼ |
| India, rupees, cables | 40¼ | 40¼ |
| Japan, yen, checks | 51.00 | 51.00 |
| Japan, yen, cables | 51¼ | 51¼ |
| Argentina, checks | 104.25 | 104.00 |
| Argentina, cables | 103.75 | 103.50 |
| Brazil, Rio, checks | 27.50 | 27.50 |
| Brazil, Rio, cables | 27.75 | 27.75 |

American Tobacco Co.

Resumes Cash Dividends

Funds No Longer Necessary to Conserve Cash by Paying in Scrip

Percival S. Hill, president of the American Tobacco Company, yesterday announced that the company would resume the payment of dividends in cash. A quarterly dividend of 5 per cent was declared. The company had been paying dividends in scrip at this rate for eighteen months. "About eighteen months ago," according to a statement issued by the Hill, "when the company commenced to pay dividends in scrip, was for the reason that we thought it best to administer the affairs of the company on a conservative and safe basis, in order to preserve our cash resources to as large an extent as possible, and by so doing place the company in position to take care of any contingency or emergency that might arise. "In the judgment of our board of directors, as well as myself, the time has arrived when we can, with safety, resume payment of cash dividends, so declared to-day for the third quarter. "Sales of the American Tobacco Company for July were reported at \$14,200,000, an increase of \$900,000 over the previous month.

Midvale Steel Earns Less

Company's Net Earnings Slump \$8,970,103 in Quarter

Net earnings, after provision for all taxes, of the Midvale Steel and Ordnance Company for the quarter ended June 30, 1919, were \$3,138,650, a falling off of \$8,970,103 from the corresponding period of 1918. After interest of \$787,373 and depreciation of \$1,409,441 had been taken care of, net profits were \$946,267, equivalent to 47 cents a share earned on the \$100,000,000 capital stock, par value \$50, compared with net profit of \$4,545,454, or 27½ cents a share, in the corresponding quarter of last year. Surplus after charges and war taxes for the half of 1919 amounted to \$3,696,464, equal to \$18.4 a share, earned on the company's stock, against \$18,345,784, or \$31.7 a share, in the six months ended June 30, 1918.

Reeve Schley Vice-President of Chase National Bank

Reeve Schley, who was Fuel Administrator of New York City up to February 1 of this year, was yesterday elected vice-president of the Chase National Bank by the board of directors of the institution. Mr. Schley is retiring as a member of the firm of Simpson, Thacher & Bartlett, with which he has been associated for twelve years. He is a graduate of Yale University law school, 1906, and has practiced law in this city since his graduation. A. H. Wiggin, chairman of the board of the Chase National Bank, was Fuel Administrator for the state.

Atlantic Refining To Sell \$20,000,000 Of Preferred Stock

Depreciated Dollar and High Taxes Induce Second of Former Standard Oil Group to Recapitalize

Plans for the recapitalization of the Atlantic Refining Company, before the dissolution of the trust, an important unit in the Standard Oil group, through the issuance and sale to the stockholders of \$20,000,000 of new 7 per cent cumulative preferred stock and the authorization of \$45,000,000 additional common stock, were announced yesterday. The Standard Oil Company of New Jersey, two weeks ago departed from Standard Oil precedent by announcing plans for raising \$100,000,000 in new capital through the sale of stock. It is expected that others of the former Standard Oil subsidiaries will follow the example.

The steps taken by the Atlantic Refining will increase the outstanding capital stock from \$5,000,000 to \$25,000,000 and the authorized and outstanding capital from \$5,000,000 to \$70,000,000. The \$20,000,000 of new preferred will pay cumulative dividends at the rate of 7 per cent, but will not carry the voting privilege. The common stock is to remain in the treasury of the company, to be issued later, either in part or in whole.

Equitable Trust Underwrites. According to the official announcement of the financing programme, the entire issue of preferred stock will be underwritten by the Equitable Trust Company of New York. The subscription price will be par, \$100, payable either in full or in four monthly instalments. It will be issued to the present stockholders of the common stock on the basis of four shares of the new issue at par for each share of common now held.

The preferred stock is subject to retirement in whole or any dividend date after five years at \$115 a share. Application will be made to list the new issue on the New York Stock Exchange, after it has been authorized by the present stockholders at a meeting, called for October 6. In many respects the new Atlantic Refining preferred will be similar to that issued by the Standard Oil of New Jersey a fortnight ago.

Reasons for Decision

In announcing the issue of new stock J. W. Van Dyke, president, gives two reasons for the change in the company's policy, as follows:

First—Because of the lessened purchasing power of the dollar as compared with 1912, much more capital must be available in the business.

Second—Because the assessment of large Federal taxes at the present time and for some time to come, prevents the use of accumulating profits for purposes of business, as heretofore. In the past the policy of the Atlantic Refining, like all of the other Standard Oil subsidiaries, has been to finance its growth entirely from current earnings.

A summary of earnings and dividends for the last four years, made public in connection with the announcement of recapitalization, shows that in 1918 the company earned \$19,410,000 before deducting Federal taxes, or \$19,410,000 before deducting Federal taxes, amounting to \$12,200,000, there remained \$7,210,000, net of which \$10,000,000 in dividends was disbursed to the stockholders, equivalent to 20 per cent. Net earnings of the company in 1917 after Federal taxes amounted to \$9,006,000, in 1916 to \$9,028,000, in 1915 to \$5,592,000.

The balance sheet as of December 31 shows total assets of \$72,438,000, of which \$10,539,743 are more or less liquid. The surplus of the company at the end of last year amounted to \$50,352,880.

Chicago Pneumatic Earned \$4.60 a Share on Stock

Report of the Chicago Pneumatic Tool Company for the six months ended June 30, 1919, disclosed a surplus, after charges and taxes, of \$209,190, equivalent to \$4.60 a share on the \$4,567,190 capital stock. Manufacturing profits during the period amounted to \$1,819,226, from which expenses of \$976,314 were deducted, leaving a balance of \$842,912. Income from other sources was \$10,283, bringing the total to \$853,195. Interest and taxes were \$284,553 and depreciation, renewals and sinking fund amounts to \$269,152, leaving a balance of \$299,190.

New Stocks Listed

The committee on stock list of the New York Stock Exchange yesterday announced that the following stocks will be listed on the board: United Drug Company preferred, Burns Brothers common, B. F. Goodrich preferred and Continental Can Corporation common.

Exchange Men Meet

A committee of the Association of Foreign Exchange Managers met yesterday afternoon at the Hanover National Bank to discuss its survey into the causes of the present depression of the demoralization of exchange rates on Europe. No announcement of what took place was made after the meeting.

Significant Relations

Money and Prices:

Stock of money gold in the country—\$3,095,077,467

| | Now. | Year ago. |
|-----------------------------|-----------------|-----------------|
| Loans of all national banks | \$9,904,821,000 | \$3,076,482,516 |
| Their surplus reserves | 59,642,000 | \$2,260,041,000 |
| | | 114,668,000 |

Bills discounted and bought by Federal Reserve banks in circulation

| | Now. | Year ago. |
|--------------------------------------|-----------------|-----------------|
| Federal Reserve notes in circulation | \$2,222,730,000 | \$1,480,104,000 |
| Total gold reserve | 1,681,000,000 | 1,906,435,000 |
| | 2,068,475,000 | 1,980,896,000 |

Average price of fifty stocks

| | Now. | Year ago. |
|--|---------|-----------|
| Food cost of living (Analyst index number) | 313.647 | 309.050 |
| General commodity price level (Dun's index number) | 233.707 | 227.973 |

Unfilled U. S. steel orders, tons

| | Now. | Year ago. |
|---------------------------------------|---------------|---------------|
| Pig iron output (daily average), tons | 78,340 | 70,495 |
| Wheat, crop, bushels | 1,919,191,000 | 1,917,000,000 |
| Corn, bushels | 2,815,000,000 | 2,582,814,000 |
| Cotton, 500-lb. bales | 11,016,000 | 12,040,000 |

Gross railroad earnings

| | Now. | Year ago. |
|------------------------------------|---------------|--------------|
| Bank clearings | 14.81% | 13.6% |
| General | 14.81% | 13.6% |
| Active cotton spindles | 33,943,405 | 33,556,011 |
| Commercial failures (Dun's Number) | 482 | 485 |
| Liabilities | \$5,507,010 | \$9,482,721 |
| Building permits (Bradstreet's) | \$111,268,814 | \$37,092,701 |

85 Rubles for \$1

Vladivostok, Saturday, July 26.—The value of the Russian ruble reached its lowest point here to-day when the banks sold 75 rubles for a dollar. In the stores as many as 85 rubles were taken as the equivalent of a dollar. The drop in exchange is causing the Russians much embarrassment.

The normal value of a Russian ruble was 51.2 cents, or about the equivalent of the American half dollar. Since the beginning of the war there has been a steady depreciation in the value, and the tendency has been greatly accelerated following the rise of Bolshevism and the speeding up of the printing presses in Russia, from which new fiat money has been pouring in a steady stream for more than a year.

U. S. Food Products Co. Buys Molasses Companies

Acquires Capital Stock of Five Large Concerns Handling Industrial Alcohol Base

Julius Kessler, president of the United States Food Products Corporation, announced yesterday that the company has acquired, through the purchase of the capital stock of five large concerns which handle and distribute molasses, the Sugar Products Company, the Pure Cane Molasses Company of the United States, the Cane Molasses Company of Canada, the British Molasses Company of Great Britain and the Tres Company (Limited) of Great Britain. The price paid was not stated. The Tres Company (Limited) owns five ocean tank steamers flying the British flag. The Sugar Products Company owns a fleet of twenty ships of various sizes, and is an extensive buyer, seller and distributor of molasses and sugar. It has large receiving tanks and stations in Cuba, Porto Rico, Santo Domingo, Barbados and Venezuela.

The British Molasses Company of Great Britain, the Pure Cane Molasses Company of Canada and the Pure Cane Molasses Company of the United States are also equipped with tank and station facilities in the United States, Canada and Great Britain.

In a statement issued to the stockholders Mr. Kessler said:

"By acquiring the five properties the United States Food Products Corporation has fully completed the facilities for obtaining at first hand and original cost molasses and other raw products, which are an essential part of the corporation's business. The United States Food Products Corporation is engaged extensively in the manufacture and sale of industrial alcohol, of which molasses forms a very important ingredient. In addition to corn, molasses is the principal article from which the Food Products Corporation manufactures industrial alcohol. To supplement its many industrial alcohol distilleries the corporation has also just completed the purchase for cash of a large molasses alcohol plant at New Orleans."

Banks Increase Capital

New York Institutions Lead in Building Up Surplus

The Federal Reserve Bank of New York yesterday announced that forty-five member banks increased their capital and surplus within the last ninety days by a total of \$17,520,320. Ninety per cent of this sum represents increases in the capital and surplus of banking institutions in New York City.

In accordance with the rule that growing member banks must subscribe 10 per cent of the increase in stock in the Reserve Bank the latter will issue to the forty-five institutions 10,514 additional shares of its stock at par value of \$10 each. The required payment of 30 per cent on the new stock will increase the present paid-in capital of the Federal Reserve Bank by \$525,700.

A comparison of the total capital and surplus of the forty-five member banks before and after the recent increase follows:

| | Old. | New. | Inc. |
|------------|------------|------------|------------|
| Capital... | 28,580,800 | 56,860,000 | 8,279,200 |
| Surplus... | 30,088,380 | 39,329,500 | 9,241,120 |
| Total | 58,669,180 | 96,189,500 | 17,500,320 |